Commonwealth of Kentucky Before the Public Service Commission

RECEIVED

JAN 1 4 2004

PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF AIRVIEW ESTATES, INC.

FOR AN ALTERNATIVE RATE ADJUSTMENT

Case No. 2003-00494

REQUEST FOR INFORMATION BY THE ATTORNEY GENERAL TO AIRVIEW ESTATES, INC.

The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, submits this Request for Information to Airview Estates, Inc.

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the company witness who will be prepared to answer questions concerning each request.
- (3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

- (5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.
- (6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.
- (7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.
- (8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.
- (9) In the event any document called for has been destroyed or transferred beyond the control of the company state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

GREGORY D. STUMBO ATTORNEY GENERAL

Lungh Lunes Gue

David Edward Spenard Assistant Attorney General 1024 Capital Center Drive, Suite 200 Frankfort, Kentucky 40601-8204 502-696-5453 (FAX) 502-573-8315

Notice of Filing

Counsel gives notice of the filing of the original and ten photocopies of Request for Information by hand delivery to Thomas M. Dorman, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601. 14 January 2004 is the date of filing.

Assistant Attorney General

Certificate of Service

Counsel certifies service of a true and correct photocopy of the Request for Information. Service was through mailing the document, first class postage prepaid, to the other party of record on 14 January 2004 - Fred Schlatter, Airview Estates, Inc., 10411 Forest Garden Lane, Louisville, Kentucky 40223.

Assistant Attorney General

3

REQUEST FOR INFORMATION BY THE ATTORNEY GENERAL TO AIRVIEW ESTATES, INC.

- 1. Does the utility provide service without charge or at a reduced rate to any customers? If yes, please provide a schedule showing the revenue that would be collected from these customers if they were charged the highest tariffed rate. Also provide an explanation as to why these customers receive service without a charge or at a reduced rate.
- Please provide a photocopy of any contract or operating agreement relating to the Management Fee expense for this utility. If the provision of management service is not pursuant to a contract, please explain the reasons for the absence of a contract and provide the terms and conditions of management services.
- 3. Please provide a summary of the test year expenditures relating to Vendor Covered Bridge Utilities. If applicable, provide a photocopy of the corresponding work-orders and invoices.
- 4. The Application includes a description for three projects (with a total of seven sub-projects) with an estimated cost totaling \$118,990. With respect to these projects, please answer the following questions.
 - A. Will any of these projects require a Certification of Convenience and Necessity? If yes, please identify the project(s) and indicate the status of the application(s).
 - B. Please identify the estimated completion date and the useful life for each of the seven projects.
 - C. Please explain the advantage of using a three-year construction surcharge rather than a four-year, five-year, or ten-year construction surcharge.
 - D. Please provide the legal basis that authorizes the use of a sewer construction surcharge.
 - E. Please indicate why the utility seeks a surcharge for construction in lieu of a general increase in existing rates.
- 5. Please provide a schedule that reconciles the Net Operating Income amount of (13,657) dollars per the Test Period Operations with Net Loss amount of (12,212) per the 2002 U. S. Corporate Income Tax Return.